

# EXHIBIT D

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

In re: National Prescription Opiate Litigation	Case No. 1:17-md-2804
This Document Relates to:	MDL Docket No. 2804
<i>All Third Party Payor Actions</i>	Judge Dan Aaron Polster

**DECLARATION OF CLARENCE CARLETON KING**

I, Clarence Carleton King, being duly sworn, depose and say as follows:

1. I am the Chief Executive Officer of Shoal Creek Advisors, LLC, a healthcare consulting firm. I have more than forty years of experience across the healthcare sector, serving in a variety of capacities, including, President, Senior Vice-President, Executive Director, and Chief Executive Officer of various healthcare plans. Attached hereto as Exhibit A is a copy of my resume. Based on this experience, I am very familiar with the third-party payor market for healthcare insurance.

2. The private third-party payor (“TPP”) healthcare market (“TPP Market”) basically consists of three basic segments: (1) Medicare plans such as Medicare Advantage (Medicare Part C) plans, and Medicare Prescription Drug Plans (Medicare Part D); (2) Managed Medicaid plans; and (3) commercial healthcare plans.

3. In 2023, 51% percent of Medicare-eligible individuals (approximately 31 million individuals) received their Medicare benefits from a TPP, as distinct from relying on traditional

Medicare.<sup>1</sup> Under those circumstances, the TPP sponsors the Medicare plan and is at-risk for the costs incurred under the plan.

4. With respect to Medicaid, roughly three-quarters (74%) of Medicaid-eligible individuals (approximately 66 million individuals) receive their Medicaid benefits from a Managed Medicaid plan.<sup>2</sup> Those are privately administered Medicaid plans for which the plan administrator is at-risk for the costs incurred under the Plan.

5. The commercial insurance segment is the largest segment of the TPP healthcare market. Approximately 189 million individuals are enrolled in a commercial healthcare plan.<sup>3</sup>

6. Therefore, the entire TPP Market provides healthcare benefits to approximately 286 million individuals.

7. The commercial healthcare segment consists of two distinct types of plans: (1) fully insured plans in which the health insurance company offering the plan is at risk for the healthcare costs incurred by the plan; and (2) self-funded employee group plans in which the employee group plan is itself at risk for the healthcare costs incurred by the plan. Most commercial plans are self-funded. Indeed, it has recently been estimated that only 37% of commercial plan members are enrolled in a fully insured plan (approximately 70 million individuals).<sup>4</sup>

8. The fully insured commercial healthcare market is, therefore, a small percentage of the overall TPP Market.

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<sup>1</sup> See <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2024-enrollment-update-and-key-trends/>

<sup>2</sup> See <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-managed-care/>

<sup>3</sup> See <https://www.cbo.gov/system/files/2023-09/59273-health-coverage.pdf>

<sup>4</sup> See <https://www.kff.org/report-section/ehbs-2024-summary-of-findings>

9. I understand that in this matter there is a proposed Settlement which would exclude the fully insured business of five health insurers: Aetna, Cigna, Elevance, Humana and United Healthcare. Each of those insurers offer health insurance across various segments (e.g. Medicare, Managed Medicaid and commercial insurance). However, their fully insured business is an even smaller portion of the overall healthcare market.

10. According to its recent public filings, Aetna provides fully insured commercial coverage for approximately 4.2 million members.<sup>5</sup>

11. Recent reports indicate that Cigna provides fully insured commercial coverage for approximately 2.1 million members.<sup>6</sup>

12. According to its recent public filings, Elevance provides fully insured commercial insurance for approximately 4.8 million members.<sup>7</sup>

13. According to its recent public filings, Humana provides fully insured commercial insurance for 0.3 million members.<sup>8</sup> Humana does not even fall in the top ten of all commercial health insurers, and has recently indicated an intent to exit that market entirely.

14. And according to its recent public filings, United Healthcare provides fully insured commercial insurance for 8.1 million members.<sup>9</sup>

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<sup>5</sup> See <https://investors.cvshealth.com/investors/financial-information/sec-filings/>

<sup>6</sup> See [https://www.mmitnetwork.com/aishealth/spotlight-on-market-access/mmit-payer-portrait-cigna-corp/#:~:text=Cigna%20Corp.%20is%20the%20fifth,only%20\(ASO\)%20contracting%20arrangements](https://www.mmitnetwork.com/aishealth/spotlight-on-market-access/mmit-payer-portrait-cigna-corp/#:~:text=Cigna%20Corp.%20is%20the%20fifth,only%20(ASO)%20contracting%20arrangements)

<sup>7</sup> See <https://ir.elevancehealth.com/annual-reports/>

<sup>8</sup> See <https://humana.gcs-web.com/financial-information/annual-reports>

<sup>9</sup> See <https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2023/UNH-Q4-2023-Form-10-K.pdf>

15. Collectively, therefore, these five insurers provide fully insured commercial insurance coverage for less than 20 million members, which is about 7 % of the overall TPP healthcare market.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: November 11, 2024

Clarence C. King  
Clarence Carleton King

## **Clarence Carleton King II (Carl)**

301 West Avenue, Unit 5601, Austin, Texas 78701

214-212-3294 [carl@shoalcreekadvisors.com](mailto:carl@shoalcreekadvisors.com)

**Certified Corporate Director - Transformation Advisor - Healthcare Consultant - Expert Witness**

### **Board Member and Consultant**

Austin, Texas

I am currently involved in the following activities:

- Shoal Creek Advisors: company formed for my consultancy practice
- IKS Health: Lead independent director (IICA certified) for this practice management platform company
- HSBlocx: advisory board member for this health care block chain company
- Referral Point: board member for this referral leakage and network management company
- Scott & White Health Plan: board member for this not-for-profit health plan
- Vital MD: board advisor for this 700-physician medical group in Florida
- Chair an arbitration panel in a healthcare dispute resolution case
- Expert witness in healthcare litigation cases

### **ValueHealth**

Leawood, Kansas

#### **Chief Executive Officer**

**2018 to 2020**

ValueHealth is a privately held holding company for the following entities:

- NueHealth: managed 50 ambulatory surgery centers and 4 surgical specialty hospitals
- MuveHealth: a disruptive hyper-specialty joint replacement ASC company
- Benefits Management: a TPA that administers bundled payments
- HealthCare Re: a bundled payment reinsurance company

### **Aetna**

Dallas, Texas

#### **Senior Vice-President, Humana Integration**

**2015 to 2017**

- Recruited by Aetna's President to join the Humana integration team
- Responsible for the integration of provider networks across both companies

#### **President of National Accounts**

**2014 to 2015**

- P&L responsibility for a \$9B business unit serving Aetna's largest customers
- Composed of 7 million self-insured and fully insured members
- Reported to the President of Aetna

**Head of National Networks and Contracting Services** **2010 to 2014**

- National responsibility for network strategy and contracting policy
- Responsible for contracting with large national providers
- Led the integration of Coventry and Aetna provider networks
- Managed one of the largest fraud and abuse units in the industry
- National business lead on provider mediation and arbitration activities

**President, Health Care Management, SE and SW Regions** **2004 to 2010**

- Shared local market P&L responsibility for 11 states with 5.2M members
- President of Aetna's HMO entities in 6 states (TX, OK, GA, FL, TN & NC)
- Direct reports included network, utilization management and quality management
- Led significant network buildouts in numerous states (Commercial & Medicare)
- Provided state leadership for legal, government relations and compliance activities

**Regional President, SW Region** **2002 to 2004**

- P&L responsibility for Texas and Oklahoma
- Direct reports included small group and middle market sales, underwriting, marketing, finance, network, utilization management, compliance, emerging markets and facilities

**Head of Patient Management, Central Region** **2001 to 2002**

- Responsible for utilization management programs in 14 states

**General Manager, North Texas** **1999 to 2001**

- P&L responsibility for Dallas-Ft Worth and portions of East and West Texas
- Direct reports included sales, account management and network
- Integrated Aetna, Prudential and NYLCare acquisitions in North Texas

**Prudential Healthcare** Dallas, Texas

**Executive Director, North Texas** **1995 to 1999**

- P&L responsibility for a 320,000-member health plan
- Direct reports included sales, account management, network, utilization management, quality management, member services, compliance, marketing, pharmacy and appeals/complaints

**Health Alliance Medical Plans** Urbana, Illinois

**Chief Executive Officer** **1990 to 1995**

- Responsible for all aspects of a 120,000-member Clinic-sponsored health plan
- Reported to the Health Plan Board of Directors and the CEO of Carle Clinic
- Had a variety of clinic administrative responsibilities at Carle Clinic

**Chief Operating Officer** **1988 to 1990**

- Responsible for all operating departments
- Interim CFO for six months

**Vice-President of Development** **1986 to 1988**

- Responsible for network, sales and marketing

**Hospital Corporation of America** Nashville, TN

**Administrator, Crawford Memorial Hospital** **1982 to 1986**

- Responsible for all aspects of a 107-bed hospital in Robinson, Illinois
- Reported to local the Board of Directors and HCA's Regional V.P.
- Also ran a skilled nursing unit, home health agency and medical office building

**Hospital Affiliates International** Nashville, TN

**Administrator, Southern Medical Center** **1980 to 1982**

- Responsible for all aspects of a 60-bed hospital in Cairo, Illinois
- Reported to local Board of Directors and HAI's Regional V.P.
- Joined HCA through their acquisition of HAI

## **Certifications**

- Certified Corporate Director, National Association of Corporate Directors
- Certified Independent Director, Indian Institute for Corporate Affairs

## **Affiliations**

- Former Director, Metrocrest Healthcare Authority, Dallas, Texas
- Former Director, American Association of PPOs
- Former Director, Georgia Association of Health Plans
- Former Director, Illinois HMO Association
- Former Director, Illinois HMO Guarantee Association
- Former President, Carle Employees Federal Credit Union

## **Education**

### **Master of Health Administration (1980)**

Duke University, Durham, NC

### **Bachelor of Business Administration (1978)**

Georgia State University, Atlanta, GA

Graduated Summa Cum Laude

Won all major academic awards